

Staff Development/Wellness Benefit Allowance Program Administrative Manual

About the Staff Development Benefit Allowance Program

What is a Staff Development Benefit Allowance?

The County of Sonoma is committed to providing efficient and high quality services to the community and recognizes the knowledge, skills and well being of our workforce are critical to achieving this goal. Therefore, the employee Staff Development Allowance Program has been developed to encourage learning and wellness. Specifically, the Staff Development Benefit Allowance Program provides an annual reimbursement allowance, as negotiated by memorandum of understanding or contained in the Salary Resolution, to assist County employees achieve professional and educational growth related to their job and achieve wellness and physical fitness goals to ensure healthy lifestyles.

The Program covers work-related expenditures such as classes and seminars, professional memberships, registration fees, educational materials, tools and equipment. Additionally, a portion of the benefit may also be used for wellness activities by allowing participation in a wide variety of activities that promote emotional and physical fitness that would not otherwise be provided through a County-offered health plan.

All benefits provided under this Program are subject to applicable provisions of federal and/or state law, and all applicable County policies and procedures, as approved by the County Administrator and the Board of Supervisors. These policies and procedures include but are not limited to the County Travel and Meal Reimbursement Policy, Vehicle Use Policy, Policy on Purchasing, and the Departmental Computer Use Policy.

What Benefits are Covered?

- ◆ Refer to the **Benefits Covered** section for a listing of all eligible reimbursable benefits covered under this Program and their taxability. Refer to the appendices for specific benefits and annual reimbursement allowance amounts pursuant to applicable Memorandum of Understanding (MOU) or the Salary Resolution.

What Benefits are Taxable and Non-Taxable?

- ◆ The Internal Revenue Code (IRC) defines a working condition fringe benefit as a form of pay for the performance of services, including property, services, cash or cash equivalent. Fringe benefits for employees are considered taxable wages, unless specifically excluded by relevant sections of the Internal Revenue Code. The eligible reimbursable benefits provided through the Staff Development/Wellness Allowance Program are primarily governed by IRC §132.
- ◆ This document outlines the types of benefits provided by this Program and their taxability. Only those benefits which are directly related to or required for your job with the County of Sonoma are non-taxable, as defined by federal and/or state law and can be excluded from taxable wages, otherwise the reimbursement amount is considered a taxable wage and will be taxed appropriately through payroll. According to the IRS, benefits are excluded from federal gross income as a working condition fringe benefit to the extent, if you had paid the expense yourself, you could claim the expense as a deductible business expense under IRC §162.
- ◆ All benefits provided through this Program are subject to taxability requirements of the Internal Revenue Code, and any other applicable federal and/or state law relating to the provision of employment fringe benefits.
- ◆ Most benefits provided through this Program are related to educational assistance reimbursements. To be excluded from taxable wages, the working condition fringe benefits for educational assistance reimbursements for governmental employees

must be:

- Job-related and either necessary to maintain or improve current job skills, or is required training or education by the employer. It must be directly related to the employees' current job classification.
- To be non-taxable, the educational course cannot be used to meet the minimum educational requirements of the current job or would otherwise qualify the employee for a new job outside of the job class.
- To be non-taxable, the expense must actually be incurred by the employee. County funds can only be used to advance the cost of extraordinary expenses where overnight travel is required.

• **Examples of Non-Taxable Educational Reimbursable Benefits**

- Educational courses, seminars, or professional conferences that are directly job-related. A course qualifying an employee for a new position within the same or similar job class would be non-taxable. For example, an Account Clerk I enroll in an advanced accounting course to be able to be promoted to an Account Clerk II.
- Includes all County sponsored or required training.
- Other educational expenses that qualify as non-taxable include registration, tuition, books, supplies and equipment for the job-related class, training or conference and travel, transportation and temporary housing costs (hotel) to attend the class, training, or conference.

• **Examples of Taxable Educational Reimbursable Benefits**

- Educational courses are considered taxable if they are not directly job related, needed to meet the minimum educational requirements of the current job, or used to get a new job in a different job class. For example, a Senior Office Assistant going to school to obtain an Associated of Arts degree in Science.
- Educational courses to acquire a license or special certifications, leading to a new job class or trade. For example, an Accountant taking classes to become a Certified Public Accountant and Account Clerk taking classes to become a Public Health Nurse or a Mechanic studying to become an Engineer.

- ◆ For County of Sonoma employees, working condition fringe benefits as outlined in this document are separate from training or other job-related tools, equipment or assistance provided by or paid directly by the County department or other funding source. Depending on your union/association, items such as uniforms, tools and equipment may not be part of your fringe benefit allowance program but, rather, are provided directly through department funds; however their taxability as a working condition fringe benefit remains the same as outlined in this document.

• **Examples of Other Taxable Reimbursable Benefits**

- ◆ This Program also includes certain non-job related benefits that are taxable, including reimbursements for physical fitness and

wellness programs.

- Wellness/Physical Fitness-
 - The County recognizes there are a wide variety of activities that lead to improved physical fitness and emotional health. Generally accepted and proven forms of activities that lead to improved physical or emotional health may be considered reimbursable activities. The general guideline is the activity must be educational and/or action oriented and designed to modify lifestyles or behaviors, or increase body awareness or improve muscular, skeletal or cardio strength, flexibility or stability. Activities related to emotional health and physical fitness, and equipment necessary to participate safely in the activity may be reimbursed. Reimbursement for all wellness and physical fitness are taxable.
 - All physical fitness and wellness activities required a Wellness Relevancy statement, and all services and equipment must be procured within the County of Sonoma, or county of residence. Internet, mail order or telephone purchases with vendors outside of the County of Sonoma or county of residence are NOT reimbursable. Exceptions may be allowed if not available within the County. Employees are required to include specific details in support of such exceptions within the wellness relevancy statement.
 - Refer to the Benefits Covered section beginning on page 7.
 - Computer Hardware and Mobile Devices– Desktop, Laptops, Cell Phones, Smart Phones, Tablet PCs and PDAs
 - Although some portion of computer hardware devices may be directly related to your job or required by your department, your department will be required to provide sufficient documentation and support of the job relevancy of the reimbursement. All computer hardware must be used at least 50% for County business in order to be a reimbursable expense. Only department heads, assistant department heads or appropriate senior management designees may authorize reimbursement claims for computer hardware. All application, reference and educational software must be directly job related.

◆ Examples of Other Non-Taxable Reimbursable Benefits

- Certain designated employees (as outlined in the applicable Memorandum of Understanding) who work in the Sheriff's Department, may make contributions from the physical fitness allowance to pay for costs of on-site athletic facilities. Such contributions are non-taxable.

Who is eligible?

- ◆ Generally, full and part time employees are eligible for this benefit. Specific benefits and eligibility vary according to the Memorandum of Understanding (MOU) for each bargaining unit or the Salary Resolution for unrepresented employees. To find out more about your benefit and eligibility, refer to the Benefits Allowances, Exceptions and Exclusions sections of this document, or the applicable MOU language for your bargaining unit (See Appendix A), or the Salary Resolution.

What is The Annual Allowance?

- ◆ The annual allowance is the amount of reimbursable funds as negotiated for your bargaining unit and authorized by the Board of Supervisors. To determine the annual allowance amount for your employee organization or bargaining unit, refer to the applicable Memorandum of Understanding or Salary Resolution for your bargaining unit or Appendix A.

Tracking Allowances

- ◆ Benefit allowances and eligible reimbursements are administered by Human Resources-Risk Management who is responsible to maintain the Staff Development database. This database is updated weekly. Benefit allowance balances reflect expenditures once a claim is approved and forwarded to Auditor-Controller-Treasurer-Tax Collector (ACTTC) for processing.
- ◆ To verify your current benefit balance, visit [Staff Development Benefit Database <http://sc-intranet/hr/content.aspx?sid=1026&cid=2268>](http://sc-intranet/hr/content.aspx?sid=1026&cid=2268)

Prorated Benefit Allowances

- ◆ Annual benefit allowances are provided on a fiscal year basis. Eligible employees hired or promoted on or after January 1 are eligible for one half (1/2) of a new allowance. Eligible employees hired or promoted after April 1st are eligible for one quarter (1/4) of a new allowance. Eligible employees who terminate prior to January 1 are eligible for one half (1/2) of the annual allowance; eligible employees who terminate between January 1 and March 30 are eligible for three quarters (3/4) of the annual allowance; eligible employees who terminate between April 1 and June 30 are eligible for the entire annual allowance.

Carryover of Unused Allowance

- ◆ Depending on your bargaining unit, certain unused portions of your annual allowance may be carried over to the following year. Carryover funds are not cumulative from year to year.
- ◆ For more information on the amount that can be carried over, please refer to the Staff Development section of the applicable Memorandum of Understanding, Salary Resolution or Appendix A.

Benefits Covered

The following job-related benefits are Non-Taxable

Refer to your Memorandum of Understanding or the Salary Resolution for specific benefits provided to your bargaining unit. See Appendix A.

Benefit Type: Job-related, specific for job classification – NON-TAXABLE

Benefit	Description	Notes
Education <ul style="list-style-type: none"> ◆ Education that maintains or improves skills required in your current job, or is required expressly by the employer or applicable law. Includes all County-sponsored or required training 	<ul style="list-style-type: none"> ◆ Registration-related expenses and textbooks ◆ Parking ◆ Travel and lodging ◆ Meals ◆ Materials related to job promotions 	<ul style="list-style-type: none"> ◆ Includes tuition, registration fees, ID badge, mandatory health fees, lab fees, and textbooks. ◆ Costs must be associated with approved courses. ◆ Includes all County sponsored or required training ◆ Lunch purchased at a training event

Benefit	Description	Notes
	<ul style="list-style-type: none"> ◆ Mileage Reimbursement ◆ Student Activity Fee 	<ul style="list-style-type: none"> is taxable ◆ Student Health Fee excluded
Professional meetings/seminars/conferences	<ul style="list-style-type: none"> ◆ Registration ◆ Textbooks ◆ Parking ◆ Travel and lodging ◆ Meals ◆ Mileage Reimbursement 	<ul style="list-style-type: none"> ◆ Events must be directly related to your current job with the County. ◆ Social events and luncheons not related to County business are not reimbursable. ◆ Lunch purchased at a one day event is a taxable ◆
Computer software	<ul style="list-style-type: none"> ◆ Educational and reference material ◆ Application software 	<ul style="list-style-type: none"> ◆ Software must be directly related to your current job.
Licenses and Certifications: Required and highly desired professional licenses and certifications	<ul style="list-style-type: none"> ◆ Professional licenses and certifications ◆ Re-licensing 	<ul style="list-style-type: none"> ◆ Licenses and certifications must be directly related to your current job as defined in the job class specification.
Licenses: Commercial driver license	<ul style="list-style-type: none"> ◆ Fee payments related to a Class A or Class B commercial driver license 	<ul style="list-style-type: none"> ◆ Licenses must be required by your current job class. ◆ Excludes Class C driver licenses.
Membership dues	<ul style="list-style-type: none"> ◆ Dues to professional or technical organizations 	<ul style="list-style-type: none"> ◆ Organizations must be directly related to your current job or work assignments.
Reading/media material	<ul style="list-style-type: none"> ◆ Books ◆ Professional or technical journals ◆ Periodicals ◆ CD's/DVD's 	<ul style="list-style-type: none"> ◆ Materials must be directly related to your current job. Excludes magazine subscriptions, newspapers, periodicals or journals of general circulation.
Job-related tools and apparel	<ul style="list-style-type: none"> ◆ Tools ◆ Safety gear ◆ Clothing ◆ Uniforms 	<ul style="list-style-type: none"> ◆ Only as specified for certain bargaining units ◆ Items must be related to your current job

Benefit	Description	Notes

Benefit Type: Physical fitness, wellness – NON-TAXABLE*

Benefit	Description	Notes
Wellness/physical fitness benefits	<ul style="list-style-type: none"> ◆ On-site workplace athletic facilities and/or wellness and physical fitness programs offered by employer ◆ Weight reduction and smoking cessation programs as treatment for specific disease <u>as prescribed by physician</u> 	<ul style="list-style-type: none"> ◆ Excludes: ◆ Purchase of food or nutritional products or equipment, including food preparation equipment

- ◆ According to the IRS, benefits are excluded from your federal gross income as a working condition fringe benefit to the extent that, if you had paid the expense it would qualify as a deductible business expense under IRC§162.

*With the exception of the list of approved equipment, this matrix is intended to address the most common benefits, to be used as a guideline and may not list all benefits that may be reimbursable. See Appendix B for a listing of Physical Fitness activities and Wellness modality options.

Benefit Type: TAXABLE Educational Assistance and Other Benefits

Benefit	Description	Notes
Computer hardware and mobile devices	<ul style="list-style-type: none"> ◆ Computer hardware devices include desktop computers, laptops, tablets, and peripheral connectivity devices ◆ Mobile devices include Smart phones, “Blackberries”, cellular phones, etc. 	<ul style="list-style-type: none"> ◆ Not allowed except as specified for certain bargaining units (See Appendix A). ◆ Reimbursement allowed as authorized by the department head or sr. mgmt designee. ◆ Must be used a minimum of 50% for County business. ◆ Reimbursement allowance as specified for your bargaining unit. (See Appendix A).

Benefit	Description	Notes
<p>Education</p> <ul style="list-style-type: none"> Education required to enable you to meet the minimum educational requirements for your current job, or education which will lead you to another job with the County of Sonoma 	<ul style="list-style-type: none"> Registration-related expenses and textbooks Parking Travel and lodging Meals Materials related to job promotions Mileage reimbursement 	<ul style="list-style-type: none"> Includes tuition, registration fees, ID badge, mandatory health fees, lab fees, and textbooks Costs must be associated with approved courses

Benefit Type: TAXABLE- Wellness/physical fitness benefits

Benefit	Description	Notes
<ul style="list-style-type: none"> Health club memberships To pursue or maintain personal health and physical fitness 	<ul style="list-style-type: none"> Offsite health clubs Physical fitness/exercise Classes 	<ul style="list-style-type: none"> Requires a Physical Fitness Relevancy Statement to support expenditure. Expenditures over \$500 require department head or Sr. Mgmt. authorization. Locations within Sonoma County or county of residence.
Recreational classes, sport lessons,	<ul style="list-style-type: none"> Refer to list of physical fitness activities Includes personal training and individual coaching 	<ul style="list-style-type: none"> Locations within Sonoma County or county of residence only.
Entry, registration, participation and league fees	<ul style="list-style-type: none"> Includes fees for participation in group, team, or league sporting activities 	<ul style="list-style-type: none"> Fees for individual employee participating on a team only. Fee for entire team excluded.
Physical Fitness Products and Equipment	<ul style="list-style-type: none"> Refer to the list of Physical Fitness activities 	<ul style="list-style-type: none"> Requires a Physical Fitness Relevancy Statement to support expenditure. Expenditures over \$500 require department head or Sr. Mgmt. authorization. Purchases within Sonoma County or county of residence only. No on-line expenditures unless not available within Sonoma County or County of

Benefit	Description	Notes
		Residence.
Weight reduction programs ♦ To improve general health, or as treatment for specific disease.	♦ Exercise programs ♦ Diet management programs ♦ Stress reduction programs	♦ Excludes food, food preparation equipment and food and nutritional supplements, medications. ♦ Residential dietary/weight loss programs ♦ Coverage is for programs not covered or offered in a County offered health plan ♦ Locations within Sonoma County or county of residence only. ♦ No on-line expenditures unless not available within Sonoma County.
Smoking cessation programs ♦ To improve general health, or as treatment for specific disease.	♦ Smoking cessation programs ♦ Patches ♦ Stress reduction programs	♦ Coverage is for programs not covered or offered by your County-offered health plan ♦ Locations within Sonoma County or county of residence. ♦ No on-line expenditures unless not available within Sonoma County.
Health and Wellness Promotion and Education	♦ Classes and educational programs with primary focus to improve health and wellness. ♦ Wellness workshops, on-line training ♦ Includes mediation, massage, and acupuncture.	♦ Locations within Sonoma County or county of residence only. ♦ No on-line expenditures unless not available within Sonoma County.
Park Passes	♦ Promotes outdoor physical activity and utilization of all local, state and federal public park systems	♦ Annual cost for individual park pass

The following provides a list of exclusions with examples. This list is NOT all inclusive, and the County reserves the right to exclude any expense which may not conform to the intent for the use of County funds or resources. Employees are encouraged to seek guidance from the Department of Human Resources, Benefits Unit for clarification of these exclusions and reimbursable expenses before incurring the expense.

Inquires may be submitted to staffdev@sonoma-county.org <mailto:staffdev@sonoma-county.org>

Staff Development Exclusions:

- ◆ General office supplies and equipment
- ◆ Magazine subscriptions, newspapers, periodicals or journals of general circulation, such as Time, Newsweek, Press Democrat, Wall Street Journal, etc.
- ◆ Consumable computer/laptop supplies (paper, ink cartridges, etc.)
- ◆ Internal modifications to County-owned computers or equipment
- ◆ Service, maintenance agreements or repair costs for qualified hardware
- ◆ Interest costs on leases, lease purchases, loans, etc. for the purchase of qualified hardware or mobile devices.
- ◆ Student loans, interest costs, loan fees
- ◆ Digital cameras
- ◆ Global Positioning Devices (GPS)
- ◆ All costs associated with an internet service provider, including telephone charges, software and equipment
- ◆ Social events or luncheons that are not directly related to County business are not reimbursable

Wellness/Physical Fitness Exclusions:

- ◆ Physical fitness or athletic clothing and apparel, including hats, and sunglasses.
- ◆ Martial arts supplies and equipment which are considered weapons or combative devices, such as knives, swords, nunchucks, batons.
- ◆ Computer hardware and mobile devices.
- ◆ Any expenditure related to hunting, fishing and camping and other outdoor activities not specifically outlined in the list of physical fitness activities. Outdoor activities which include physical fitness activity such as hiking boots used to promote physical activity in conjunction with hunting are acceptable.
- ◆ Lockers and locks
- ◆ Food, food and nutritional supplements, food preparation equipment.
- ◆ Service, maintenance agreements or repair costs for eligible equipment. Examples include bike repairs, tennis racket re-stringing, golf club shaft repairs.
- ◆ Residential dietary/weight loss programs

- ◆ Any expenditures related to motorized vehicles or equipment (i.e. golf carts, boats)
- ◆ Cost of animals, animal boarding, rental fees or expenses associated with storing or maintaining animals or physical fitness equipment used to participate in a fitness activity.
- ◆ Any equipment related to physical fitness activities involving animals, including saddles, tack, leashes, harnesses, lead ropes. This exclusion does not include safety equipment which may be necessary to participate in the physical fitness activity, such as boots, riding helmets, and gloves.

Appendices

- ◆ [Appendix A – Excerpts from Salary Resolution and Memoranda of Understanding <http://hr.sonoma-county.org/content.aspx?sid=1024&id=3147>](http://hr.sonoma-county.org/content.aspx?sid=1024&id=3147)
- ◆ [Appendix B – Enhancements to Physical Fitness-Wellness Reimbursable Expenses <http://hr.sonoma-county.org/content.aspx?sid=1024&id=3148>](http://hr.sonoma-county.org/content.aspx?sid=1024&id=3148)